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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte GARY M. KATZ

Appeal 2010-006083
Application 09/828,122
Technology Center 3600

Before HUBERT C. LORIN, ANTON W. FETTING and JOSEPH A. FISCHETTI, *Administrative Patent Judges*.

FISCHETTI, *Administrative Patent Judge*.

DECISION ON APPEAL

The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, or for filing a request for rehearing, as recited in 37 C.F.R. § 41.52, begins to run from the "MAIL DATE" (paper delivery mode) or the "NOTIFICATION DATE" (electronic delivery mode) shown on the PTOL-90A cover letter attached to this decision.

STATEMENT OF THE CASE

Appellant seeks our review under 35 U.S.C. § 134 of the Examiner's final rejection of claims 1-3, 11-19, 23, 27, 36, 44, and 48. Claims 4-10, 20-22, 24-26, 28-35, 37-43, 45-47, 49-64 are cancelled.

We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION

We AFFIRM.

THE INVENTION

Appellant claims a system and method for targeting promotions by pairing delivered promotions to maximize the likelihood of exercise. (Specification 1: 5-7)

Claim 1, reproduced below, is representative of the subject matter on appeal.

> 1. A computer-implemented method for increasing the likelihood that a first promotion for purchase of an item of a first product or purchase of an item in a first product category will be exercised by a first consumer, comprising:
> storing, with at least one processor, in a database in a computer memory, product purchase history information, wherein said product purchase history information indicates identification information for consumers associated with purchase of items of products by said consumers, such that each identification information for each consumer is associated with identification of previous purchase of items of products by that consumer;
> storing, with said at least one processor, in a database in a computer

memory, a plurality of promotions, wherein each one of said plurality of promotions includes in association with one another at least: promotion record identifier, promotion product identity, category of said promotion product, and value of promotion;
storing, with said at least one processor, in a database in a computer memory, promotion relevance criteria for determining relevance of promotions;
determining, with said at least one processor, a first consumer first product category purchase determination, wherein said first consumer first product category purchase determination indicates whether said product purchase history information associated in a database with a first consumer identification information for said first consumer indicates prior purchase by said first consumer of either an item of said first product or of an item in said first product category;
only if said first consumer first product category purchase determination indicates no prior purchase by said first consumer of either an item of said first product or of an item in said first product category, storing, with said at least one processor, in a database in a computer memory in association with said first consumer identification information, said first promotion;
determining, with said at least one processor, a second promotion selected from said plurality of promotions which has a relatively high relevance for said first consumer, using (1) said promotion relevance criteria, (2) said plurality of promotions, and (3) at least one of said product purchase history information for said first consumer, demographics information about said first consumer, and exercised promotions exercised by said first consumer; and
storing, with said at least one processor, said first promotion and said second promotion in association with said first consumer identification information;
providing, via an output device, said first promotion and said second promotion to said first consumer;
receiving, via at least one input device at a POS during a purchase transaction, said first consumer identification information, said first promotion, said second promotion, and product identifications of items of products being purchased;

determining, with said at least one processor, during said purchase transaction, a promotion qualification indicating if a first product item associated with said first promotion and a second product item associated with said second promotion have been received via said at least one input device at said POS during said purchase transaction; and

only if said promotion qualification indicates that both said first product item and said second product item were received via said at least one input device at said POS during said purchase transaction, with said at least one processor, deducting from a charge for said purchase transaction a value of promotion associated with said second promotion and a value of promotion associated with said first promotion.

THE REJECTION

The Examiner relies upon the following as evidence of unpatentability:

Deaton	US 5,644,723	Jul. 1, 1997
Aggarwal	US 6,349,309 B1	Feb. 19, 2002
Herz	US 6,571,279 B1	May 27, 2003

The following rejections are before us for review.

1. The Examiner rejected claims 1-3, 11-19, 23, 27, 36, 44, and 48 under 35 USC 112, first paragraph, as failing to comply with the written description requirement.

2.The Examiner rejected claims 1-3, 11-19, 23, 27, 36, 44, and 48 under 35 USC 112, second paragraph, as failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

3. The Examiner rejected claims 1-3, 11-19, 23, 27, 36, 44, and 48 under 35 USC 102(b) as being anticipated by Deaton.

4. The Examiner rejected claims 1-3, 23, 27, 36, 44, and 48 under 35 USC 102(e) as being anticipated by Aggarwal.

5. The Examiner rejected claims 11-19 under 35 USC 103(a) as being unpatentable over Aggarwal and further in view of Herz.

ISSUE

Did the Examiner err in rejecting claims 1-3, 11-19, 23, 27, 36, 44, and 48 on appeal as being unpatentable under 35 U.S.C. 112 first paragraph, as failing to comply with the written description requirement?

Did the Examiner err in rejecting claims 1-3, 11-19, 23, 27, 36, 44, and 48 on appeal as being unpatentable under 35 U.S.C. 112 first paragraph, as failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention?

Did the Examiner err in rejecting claims 1-3, 23, 27, 36, 44, and 48 on appeal as being unpatentable under 35 U.S.C. 102(e) as being anticipated by Aggarwal?

Did the Examiner err in rejecting claims 1-3, 11-19, 23, 27, 36, 44, and 48 on appeal as being unpatentable under 35 U.S.C. 102(e) as being anticipated by Deaton?

Did the Examiner err in rejecting claims 11-19 under 35 USC 103(a) as being unpatentable over Aggarwal and further in view of Herz?

FINDINGS OF FACT

We find the following facts by a preponderance of the evidence:

1. Deaton discloses that a host processor identifies each product being purchased, compares it against the stored data tables and generates an

indication of the type of coupon to be given to the customer. Col. 71, ll. 10-13.

2. Aggarwal discloses the set of customers who are similar to a given target customer is called a "peer group". Col. 10, ll. 47-49.

3. Aggarwal discloses that based on the purchasing behavior of a peer group, it may be possible to predict the types of products which may be preferred by a target customer. Col. 10, ll. 50-52.

4. Herz is concerned with targeting products which have never been purchased at the retailer by rapid profiling (Col. 24, ll. 32-34).

ANALYSIS

35 USC § 112, first paragraph rejection.

We will not sustain the 35 U.S.C. § 112, first paragraph rejection.

Appellant has cited in his Brief, at pages 7-11, where the Specification by page and line number provides a basis for the points raised in the rejection. We find that these excerpts show that the Specification conveys with reasonable clarity to those skilled in the art that, as of the filing date sought, applicant was in possession of the subject matter as now claimed. *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64, (Fed. Cir. 1991).

35 USC 112, second paragraph rejection.

We will not sustain the 35 U.S.C. § 112, second paragraph rejection.

The Examiner rejects claims 1 and 23 because he is unclear whether "the database stores consumer identification and also the consumer's purchases of products or just the identification of a consumer who happens

to purchase products and/or who happens to purchase products previously?" (Answer 6).

We find that those skilled in the art would understand what is claimed because, according to page 9 of the Specification, "[o]nce the identity of the consumer has been determined, it can be used, e.g.; to add data records to the exercised promotion table 615, to identify relevant records found in the consumer demographic table 616 or the consumer purchase history table 617…." See, *Orthokinetics, Inc. v. Safety Travel Chairs, Inc.,* 806 F.2d 1565, 1576 (Fed. Cir. 1986) (citations omitted).

We further find that Appellant has sufficiently responded to the Examiner's objection to the "item versus product" issue because according to Appellant, these terms are used by Appellant to track elements in the same category (Appeal Br. 14), which we find reasonable.

35 U.S.C. § 102 (e) rejection using Deaton.

Claim 1 recites in pertinent part:

> only if said promotion qualification indicates that both said first product item and said second product item were received via said at least one input device at said POS during said purchase transaction, with said at least one processor, deducting from a charge for said purchase transaction a value of promotion associated with said second promotion and a value of promotion associated with said first promotion.

Appellant argues that "the examiner presents no discussion in support of the assertion that Deaton discloses this limitation. Moreover, Deaton does not disclose this limitation.…" (Appeal Br. 21).

The Examiner however maintains that:

> … if it is indicated that both first product item and second product item were not received during the transaction, and if it is determined that there is no first promotion therefore there is no first promotion value thus the step of deducting is not performed. Therefore the claim does not recite requiring both the first promotion for a product of a category for which the consumer has not previously purchased, and a second high relevance promotion for a product the consumer is likely to purchase, be exercised together.

(Answer 13).

We agree with the Examiner that the "if condition" as employed in the method claim 1 is not a limitation against which prior art must be found because the step of deducting from a charge for the purchase transaction a value is conditioned on *only if said promotion qualification indicates that both said first product item and said second product item were received via said at least one input device at said POS during said purchase transaction.* During examination, claims are given their broadest reasonable interpretation. *See In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004). As under the broadest scenario, the steps dependent on the "if" conditional would not be invoked, the Examiner was not required to find these limitations in the prior art in order to render the claims obvious.

Thus, we do not find error in an absence of findings by the Examiner in Deaton for the recited conditional deducting step.

With respect to claim 23, we interpret the "if conditional" step

differently from how we interpreted it in claim 1 because a claim 23 requires processor for causing the function. Thus, the processor would need to have the programming for the "if condition" resident in memory regardless of whether the condition is ever met. But, in this case, Appellant has chosen to use functional language, i.e., "processor for deducting…" to recite the limitation. As functional language, we are required only to give this language weight to the extent that the prior art is or is not capable of meeting the limitation. *In re Schreiber,* 128 F.3d 1473, 1477-78 (Fed. Cir. 1997).

We find that Deaton discloses that a host processor 110 identifies each product being purchased, compares it against the stored data tables and generates an indication of the type of coupon to be given to the customer (FF 1). We thus find that the host processor 110 in Deaton would be capable of deducting from a charge by issuing a coupon with value, conditioned on certain products being identified as purchased by the processor 110.

We also affirm the rejection of dependent claims 2-3, 11-19, 27, 36, 44 and 48 since Appellant has not challenged such with any reasonable specificity (see In re Nielson, 816 F.2d 1567, 1572 (Fed. Cir. 1987)).

35 U.S.C. § 102 rejection using Aggarwal.

Appellant argues that Aggarwal fails to disclose "excercisable" promotions because "Aggarwal consists of a list of products and does not consist of either an offer, incentive, or coupon…." (Appeal Br. 27).

For the reasons set forth above addressing the "if conditional" recitation directed to exercising the price deduction, we disagree with

Appellant because Appellant's promotions are also non-exercisable in the case where the "if condition" is not met.

Appellant next argues that "…Aggarwal's process would exclude from its list any product which the consumer had not previously purchased… [because] Aggarwal uses a promotion list to recommend products to a targeted consumer that the consumer has shown a past preference for purchasing." (Appeal Br. 30).

We disagree with Appellant because at least in the example of the "peer group", Aggarwal's promotion list is not based on what products the consumer has shown past purchase preferences for, as argued by Appellant, but rather is based on the purchasing behavior of a set of customers who are similar to a given target customer, but who are not the target customer (FF3). This distinction is important because, contrary to Appellant's assumption, it supports the Examiner's position that the promotion list products in Aggarwal have not yet been purchased by the targeted customer, otherwise there would be no need to recommend them to the targeted customer again[1].

Accordingly, we affirm the rejection of claim 1.

[1] Correspondingly, the claims require that the first product category purchase determination indicates no prior purchase by said first consumer of either an item of said first product or of an item in said first product category.

We also affirm the rejection of dependent claims 2, 3, and 27, 36 since Appellant has not challenged such with any reasonable specificity (see In re Nielson, 816 F.2d 1567, 1572 (Fed. Cir. 1987)).

We however will not sustain the rejection of the system claims 23, 44 and 48 under 35 U.S.C. § 102 over Aggarwal because we agree with Appellant that Aggarwal fails to disclose a system capable of exercising a price deduction since Aggarwal discloses providing a lists of products without a mechanism for deducting from a charge for the purchase transaction a value conditioned on *only if said promotion qualification indicates that both said first product item and said second product item were received via said at least one input device at said POS during said purchase transaction.*.

35 U.S.C. § 103(a) rejection using Aggarwal and Hertz

Appellant argues "[s]aid first promotion" as recited in claim 1 refers to products or product categories that have not been purchased by the consumer", and hence Aggarwal fails to meet the claim limitations. (Appeal Br. 34).

We are not persuaded by Appellant's argument here because as we found above, the promotion list products in Aggarwal could be items that have not yet been purchased by the targeted customer, otherwise there would be no need to recommend them to the target customer. (FF 3).

Appellant further asserts that '[s]ince the goals of Herz and Aggarwal are at odds, there is no motivation to modify Aggarwal's transaction database to include Herz's information…." (Appeal Br. 34, 35).

We are not persuaded of error in the rejection using the combination of Herz and Aggarwal because the Examiner found that the motivation for combining is "to promote any goods sold by the retail store". (Answer 18). The Examiner arrives at this motivation by finding that in Herz, shopper loyalty is rewarded by extracting data based on customer behavior (Answer 18) which we find to be a reasonably connected. This is especially true given that Herz is correspondingly concerned with targeting products which have never been purchased at the retailer by rapid profiling (FF 4).

Accordingly, we affirm the rejection of claims 11-19 under 35 U.S.C. § 103(a) using Aggarwal and Hertz.

CONCLUSIONS OF LAW

1. We conclude the Examiner erred in rejecting claims 1-3, 11-19, 23, 27, 36, 44, and 48 under 35 USC 112, first paragraph.

2. We conclude the Examiner erred in rejecting claims 1-3, 11-19, 23, 27, 36, 44, and 48 under 35 USC 112, second paragraph.

3. We conclude the Examiner did not err in rejecting claims 1-3, 11-19, 23, 27, 36, 44, and 48 under 35 USC 102(b) as being anticipated by Deaton.

4. We conclude the Examiner did not err in rejecting claims 1-3, 27 and 36 under 35 USC 102(e) as being anticipated by Aggarwal; we conclude the Examiner did err in rejecting claims 23, 27 and 36 under 35 USC 102(e) as being anticipated by Aggarwal.

5. We conclude the Examiner did not err in rejecting claims 11-19 under 35 USC 103(a) as being unpatentable over Aggarwal and further in view of Herz.

DECISION

The decision of the Examiner to reject 1-3, 11-19, 23,27,36,44 and 48 is AFFIRMED.

AFFIRMED

MP

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